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East Germany is offered by the people-owned Hennigsdorf Steel Mill near Berlin, which was the scene of a public scandal last summer. More than two thirds of its production was of such low quality that it could not be sold, despite the steel shortage in East Germany. Neues Deutschland, the main organ of the SED, wrote, "Rods of rectangular cross section from Hennigsdorf were so warped and crooked that it was impossible to straighten them. The 'rails' they delivered bore absolutely no resemblance to rails."

The Politburo appointed by the SED brought in the East German national prize winner Max Hensel, considered the foremost steel expert in the East Zone and then director of the Riesa Steel Mill, to manage the Hennigsdorf works. The first thing Hensel did was to throw out the Hennecke movement and replace it with the so-called Quality Movement. Not faster, but better work was the by-word. Overtime was granted only exceptional cases, because "the 48-hour week is recognized as the maximum work period, and the one upon which national economic plans are based."

Hennigsdorf is only one example among many people-owned enterprises in East Germany. Workers at these enterprises who a year ago had 20, 30 or even 40 marks overtime pay each week now do not receive a single pfennig above their regular wages. The only bonuses now are for quality output, improvements in production technique, etc. Perhaps one in a thousand gets such extra income. In any case, the workers at Hennigsdorf may consider themselves fortunate, for as workers in a key industry they still receive the heretofore prevailing wage.

To make the people-owned economy profitable, the East German government does not hesitate to adopt unpopular measures. The Soviet Control Commission in Berlin-Karlshorst has charged the East German government with certain steps, including the lowering of cost prices, to bring about quickly sounder conditions in the East German economy. In the opinion of many, the Soviets are laying the economic foundation for the planned incorporation of East Germany into the ruble block.

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